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Tempers flare between Gov, Treasurer in loan meeting

It was a war of words between Gov. Janet Napolitano and State Treasurer Dean Martin during a Jan. 8 meeting of the state Loan Commission — a three-member group made up of the treasurer, governor and director of the Department of Administration. The commission hasn't met in decades but was convened by the treasurer to set a maximum interest rate the state would pay in case must borrow money to cover cashflow.

Martin has announced he believes the state's cash reserves will run out in mid-March if the state's budget issues aren't corrected soon.

Napolitano said the meeting was premature because legislature has not even had a chance to act nor has the federal government been able to act on an economic stimulus plan that could help states.

Martin said he was planning for a worst-case scenario.

As tempers were raised during the 20-minute meeting, Napolitano and Martin talked over each other and the issue of setting interest rate was table.

Martin said he would reconvene the commission after Napolitano leaves for her new job as secretary for the Department of Homeland Security and she is replaced by Jan Brewer as governor.

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